

BOARD OF FORESTRY AND FIRE PROTECTION

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MINUTES
BOARD OF FORESTRY AND FIRE PROTECTION
May 6 and 7, 2003
Sacramento, California

BOARD MEMBERS PRESENT :

Stan Dixon, Chairman
Kirk Marckwald, Vice Chair
Mark Bosetti
Susan Britting
Robert Heald
David Nawi
Tharon O'Dell
Gary Ryneerson

BOARD STAFF PRESENT :

Daniel R. Sendek, Executive Officer
George Gentry
Executive Officer, Foresters Licensing
Donna Stadler, Executive Assistant
Jim Mote, Regulations Coordinator

DEPARTMENTAL STAFF PRESENT :

Andrea Tuttle, Director
Ross Johnson, Deputy Director
Resource Management

CALL TO ORDER

Chairman Dixon called the May 2003 meeting of the Board of Forestry and Fire Protection to order.

REPORT OF EXECUTIVE SESSION

Mr. George Gentry, Executive Officer for Licensing, reported that the Board considered a petition for reinstatement from Brain Anker, RPF 1849, in the matter of case number 277. Based on Mr. Anker's compliance with all the terms of his probation, the Board approved the petition unanimously. Mr. Anker's license to practice forestry is reinstated.

Mr. Gentry reported that in case number 290, John H. Burns, RPF 1938, Mr. Burns and the Board entered into a stipulated agreement wherein he admits to gross negligence and material misstatement in the preparation of several timber conversion exemption documents which were inaccurate and/or incomplete upon submission (14 CCR §1035.1(a) and 14 CCR §1104.1(a)(1)(A), as well as a failure to provide proper public notice (14 CCR §1104.1(a)(3)(A). Based on the foregoing, Mr. Burns' license to practice forestry as a professional was suspended for a period of twelve months, with three months actual suspension and the probationary period will be imposed, making the total period of the Broad Order fifteen months.

APPROVAL OF MINUTES

Chairman Dixon asked for Board approval of the April minutes.

03-05-1 Mr. Bosetti moved to approve the April 2003 minutes as amended. Mr. O'Dell seconded the motion, and all were in favor.

REPORT OF THE CHAIRMAN

Chairman Dixon announced that on May 28, 2003, Members Bosetti, Britting, Marckwald, and Nawi would appear before the Senate Rules Committee for confirmation.

REPORT OF THE DIRECTOR

Ms. Andrea Tuttle, Director of the California Forestry and Fire Protection (CDF), reported that the start of the fire season has been postponed due to the April rains. Fire season will open on May 19, 2003, in the South and in early June in the North. She commented that the heavy April rains are a mixed blessing because it may result in an extended season.

Director Tuttle reported on the Wildfire Awareness Week Media Event in Auburn. On opening day, May 5, 2003, three homeowners were willing to have the press go to their homes and look at them. The first homeowner had defensible space around his home and it was saved from fire. The other two homeowners had not and they lost their houses due to a wildfire.

Director Tuttle commented that CDF's Crew Fire Preparedness Exercises were coming up in the Amador El Dorado Unit. She announced that next week there would be two big meetings. The California Fire Alliance, which is a program that deals with pre-fire and field management projects and meets quarterly. This group brings cooperation and coordination to all of the fire agencies in California dealing with pre-fire and fuel management projects. The National Academy of Public Administrators (NAPA), was brought in after the wildfires of 2000 to analyze the costs on federal fires. They conducted a number of National workshops around the country and had scheduled one for June in California. The Department invited the NAPA to come under the umbrella of the Alliance and they will be attending the Alliance meeting next week. The International Organization for City and Local Fire Department Fire Chiefs will be attending the Alliance meeting, but they will also hold their own separate workshops.

Director Tuttle referred to the Sacramento Bee article regarding the Disabled Veterans Program (DVP). She commented that the state has made a decision that it would not buy and own a tremendous fleet of water tenders, vehicle washing stations, heavy bulldozers, and other equipment. She explained that it is more efficient to contract when needed during fire season. All state departments have a goal to provide three percent participation from disabled vets and small businesses. CDF has a separate DVP list which gets preferential calling as the Department goes into extended attack. This issue is who qualifies as disabled vets. The certification of DVPs is not CDF's responsibility. CDF takes its guidance from the Department of General Services.

Director Tuttle announced that the application period for the positions in Resource Management have been closed and the decisions will be made within the next couple of weeks as to who will replace Ross Johnson, Dean Lucke, and Mark Stanley. There will also be changes in the Unit Chief ranks.

REPORT OF THE OAK MORTALITY TASK FORCE (COMTF)

Mr. Mark Stanley, Chairman of the COMTF, referred to the COMTF report in the Board's binder. The Marin County SOD Busters are opening a Sudden Oak Death (SOD) collection yard at the Marin Resource Recovery facility today. The program, funded by the USDA Forest Service and CDF and managed by the UC Forest Products Laboratory, is to collect, sort, and find productive uses for certified *Phytophthora ramorum*-infested plant

material. Another site is due to open in about 60 days in the Santa Cruz/Monterey area. He noted that under federal law, states must harmonize with the federal government once a federal rule is in place; however, Oregon has requested an exemption from the interim federal regulation for *Phytophthora ramorum*. In Germany, *Phytophthora ramorum* was detected in 11 samples of Rhododendron and nine samples of *Viburnum*. He commented that in Europe, about 40 percent of the infection is in nurseries. He noted that the USDA Forest Service, Pacific Southwest Research Station, and CDF are seeking research proposals on *Phytophthora ramorum* and Sudden Oak Death. He indicated that Member Heald would represent the Board in the evaluations. More information may be obtained on their website at <http://www.suddenoakdeath.org>.

Mr. Stanley commented that the next COMTF meeting would be held on May 28 and 29, 2003, in Petaluma. May 28 would be the general update session and arboriculture issues. May 29 would be the SOD training session. He noted that there would be a free SOD field day at the California Academy of Sciences' Pepperwood Preserve. The International On-line Symposium on SOD has been extended to May 12, 2003. He then reviewed the calendar of events for the Board. Copies of this report may be obtained through their website or the Board Office. He noted the retirement of Don Henry from the California Department of Food and Agriculture.

Mr. Marckwald wanted to know the prognosis for state funds.

Mr. Stanley commented that the COMTF received a request from the Legislature and the federal government regarding its needs. He noted that the COMTF is working on a five-year action plan.

Mr. Marckwald asked that Board staff look for letters of support sent in the past on this subject.

Chairman Dixon wanted to know if there were any new counties bringing in plans.

Mr. Stanley commented that re-allocation of funds have been requested by Santa Cruz, Marin, Monterey, and Contra Costa Counties.

Mr. Heald wanted to know about SB 694.

Mr. Stanley commented that SB 694 changes hard numbers to a percentage fee that goes to the counties. There is some concern about being locked in.

REPORT OF FEDERAL AGENCIES INCLUDING USDA FOREST SERVICE, NATIONAL MARINE FISHERIES SERVICE, US FISH & WILDLIFE SERVICE AND US ENVIRONMENTAL PROTECTION AGENCY

Mr. Mike Chapel, USDA Forest Service (USFS), commented that during the Resource Protection Committee meeting, a representative from the FS fire staff reported on activities in its fire management program. He reported that nationwide, the USFS is down 11 air tankers, due to structural difficulties with some of the tankers. The USFS expects to be at about 95 percent of its most efficient level for fire staffing this year. The Southern California bug kill has increased from approximately 150 thousand acres to over 350 thousand acres and is growing. He commented that CDF staff and staff from the San Bernardino Forest are working along with CHP and others on people management needs. The NRCS and the USFS are still looking for supplemental funding. The Governor has sent President Bush a letter requested emergency status for Southern California.

Mr. Chapel reported that the Regional Forester's announcement of the Record of Decision for the Sierra Nevada Framework project has been made and there is a group working on the supplement Impact Report, which should be posted on the USFS website on June 6, 2003. The land allocations are not expected to change, but the goal is to give additional flexibility to those working in the field. He noted that the public review period would be 90 days with the final document early this fall.

Mr. Chapel commented that the public comment period for the Giant Sequoia Monument Environmental Impact Statement closed in March. There were over 19,000 comments, including 11,000 electronic form letters.

Approximately 300 letters had substantial technical comments and are being reviewed. The final document should be out this fall. He noted that on June 3, 2003, the FS is taking a group down to look at this project.

Mr. Chapel commented that there is another piece of the president's Healthy Forest Initiative, HR 1904 called the Healthy Forest Restoration Act. The legislative part of this was heard last week in the House Resources Committee and is now in the House Ag. Committee. One portion of the bill deals with hazardous fuels. It also provides for a 25 million dollar grant for five years to be used for a subsidy on the hauling cost of biomass material.

Mr. Joe Blum, National Marine Fisheries Service (NMFS), spoke on behalf of NOAA Fisheries. He commented that the November budget provided for 120 days to create a Pacific Islands Region from the Southwest Region and it was established on April 21, 2003. He noted that there has been a request to advertise the position of Regional Administrator.

Mr. Ryneanson wanted to know the boundaries of the new Region.

Mr. Blum replied that they were the Western Pacific and Hawaii.

Mr. Blum commented that following a request by California Forestry Association on how NOAA counts fish; the Board requested a joint presentation by NOAA Fisheries and the California Department of Fish and Game (DFG). That report was sent to the Board in April and it is also available at <http://swr.nmfs.noaa.gov>. Under the Federal Endangered Species Act of 1973, NOAA's obligation when determining whether an evolutionarily significant unit species warrants listing, is to use the "best science available and commercial data available" to it; this report details the best available data as of April 2003. He believes that the Biological Review Team will list the final findings on all of the packages they have under review for the past year. He commented that in March 2002, NOAA solicited new information through a Federal Register notice and its contacts in the scientific community. Through that information, plus the input from the Biological Review Team and the US Geological Society, the document was developed. He noted that the Board was provided that document. The document then went to the co-managers for review and comment. There was a meeting in January 2003 and now the Biological Review Team will make findings for the Regional Administrators for the Northwest and the Southwest. It is anticipated that the report will be placed in the federal register by November 2003 for a 60 to 120 day public comment period with the final decision in 2004 on the proposed listing. That document would be the Regional Administrator's and NOAA Fisheries proposed determination on all of the stocks in review under the Endangered Species Act. He noted that also considered was a document from the Salmon Recovery Review Panel comprised by leading conservation biology scientists who are providing oversight. He referred to page five of the Board's document and read from it. He commented that it means that one cannot make assumptions one cannot support. He recommended that the Board look at the preliminary findings of the Biological Review Team on the Central California Coast for Coho. It was determined in the mid 1990's that that species should be listed as Endangered. However, the Agency did not do that because it believed that there were good conservation measures being taken or promised to be operating in California. Therefore, it was listed as Threatened rather than Endangered until some other measures could be put in place. The preliminary findings of the Biological Review Team are that that species should be listed as Endangered. He commented that NOAA would have to go through the same kind of decision making process to retain the Threatened listing made in the 1990s. Conservation practices must be demonstrated showing that there are some measures in place in order to retain the Threatened status. He commented that one of the Board's Committees had asked what was it going to take to get a 4 (d) rule. The first thing is to keep the species listed as Threatened. He believes that this report provides a clear view of how fish are counted in California.

Chairman Dixon wanted to know about the review timeframe.

Mr. Blum indicated that there should be a proposal out in November 2003 with final action in mid to late 2004.

Mr. Nawi wanted to know if NOAA would look at a 4 (d) rule for the Coho while the recommendation is pending to upgrade the status from Threatened to Endangered.

Mr. Blum replied that the 4 (d) rule would be considered until the Secretary signs it.

Mr. Mark Rentz, California Forestry Association (CFA), commented that the question it had originally asked was in a seven-year period since the listing to the present, what changes has NOAA made to analyze population trends in a scientific and statistically valid approach. He encouraged NMFS to come back to explain how they are monitoring fish trends. He reiterated CFA's request to NOAA and DFG to explain how they are sampling fish populations in a scientific and statistically valid methodology. He believes they do not have the data to determine what is happening to Coho in California.

UPDATE ON THE MEMORANDUM OF UNDERSTANDING BETWEEN THE STATE WATER RESOURCES CONTROL BOARD, DESIGNATED REGIONAL WATER QUALITY CONTROL BOARDS, AND THE DEPARTMENT OF FORESTRY AND FIRE PROTECTION

Chairman Dixon introduced the topic.

Mr. Ross Johnson, Deputy Director Resource Management, commented that there are no further signatures on the MOU. There has been one meeting of the monitoring group, which included participants from the Board, California Geological Society, North Coast Water Quality, Central Valley, State Water Board, and CDF. There was no representative from Department of Fish and Game (DFG), but they are interested in participating in the next monitoring meeting, which will be tomorrow. The goal is to have something to report by the June Board meeting. Trend monitoring and how to involve the Monitoring Study Group was discussed. There have been suggestions that MSG serve as a repository of monitoring data.

Mr. Ryneearson wanted to know who has signed the MOU to-date.

Mr. Johnson noted that Director Tuttle and the State Water Resources Control Board's Executive Officer are currently the only signatories.

Mr. Marckwald believes that it is important that the Board have the document by its June meeting because it may need to sort out some issues.

Mr. Ryneearson wanted to know if the Board's Executive Officer had invited the Executive Officers from the other Boards to attend that meeting.

Mr. Daniel Sendek, Executive Officer for the Board, commented that he has made some contact and will be sure to have the Regional Boards represented at that meeting.

Mr. Nawi commented that the Policy and Management Committee also thought that the Regional Water Board's should participate in the joint workshop.

Mr. Johnson commented that another facet of the MOU would be another meeting within six months to discuss the cumulative effects issue; that meeting has not yet taken place. The Department is getting a group together on that issue.

Mr. Richard Gienger expressed his belief that the issue of cumulative effects needs immediate action. He encouraged the Department and the Board to come up with some concrete ways to change the cumulative effects analysis; there needs to be a process to address problems outside of the individual landowner's scope.

Mr. Ryneearson wanted to know what form the Department expects the monitoring document to take.

Mr. Johnson commented that it could possibly be in the form of an MOU or an Agreement. It is not known who would sign it; however, one of the Regional Boards believes that the industry should have input. He believes that the Board should sign on it also. The Board will have something to review by its next meeting.

PRESENTATION BY THE NORTH COAST REGIONAL WATER QUALITY BOARD STAFF ON “THE FINAL REPORT ON SEDIMENT IMPAIRMENT AND EFFECTS ON BENEFICIAL USES OF THE ELK RIVER AND STITZ, BEAR, JORDAN, AND FRESHWATER CREEKS”

Chairman Dixon introduced the topic.

Mr. Mathew Buffleben, Water Resources Control Engineer with the North Coast Regional Water Quality Control Board (NCRWQCB), reviewed his background for the Board. He provided a Power Point presentation of Phase 1 showing a brief overview of the process they used, which focused on the Elk River, Freshwater, Bear Creek, Stitz, and the Jordan watersheds. He also provided copies of his report of the *Final Terms of Reference Phase II* report for the Board. The NCRWQCB put together an independent scientific review panel and in August 2002 it addressed concerns in those five watersheds. On December 27, 2002, the panel provided the NCRWQCB a report. In January 2003, the Water Board passed five motions relative to the findings of the report. Those included; a petition for the Board of Forestry and Fire Protection for these watersheds for Sensitive Watershed Nominations; gather further information to refine the model and empirical budgets; develop a GIS database in an effort to develop a digital library; collaborate with HCP agencies to help use HCPs to achieve water quality standards; and the final recommendation was to conduct further investigation with the comments received in phase one. He indicated that as the NCRWQCB develop TMDLs for these watersheds, it would be more focused on those issues. The panel has requested and received many documents from the many agencies involved. There will be a two-week period for additional documents to be submitted. The panel will conduct private deliberations through June. Their report is expected to be finalized in July and a presentation to the Water Board in August 2003.

Director Tuttle wanted to know what land uses were being included in these watershed assessments.

Mr. Buffleben commented that the NCRWQCB is not doing watershed assessments, only looking at documents and information related to the watersheds themselves.

Director Tuttle commented that some of these watersheds are not in just one land use.

Mr. Buffleben replied that even though that is correct, the primary use for all of these watersheds is timber.

Director Tuttle wanted to know if they were using residential developments as well.

Mr. Buffleben commented that as TMDLs are developed for these watersheds, those issues would be more focused on; the panel is specifically dealing with timber issues at this time.

Mr. Tom Spitler, California Geological Survey (CGS), commented that the Mining and Geology Board has a technical advisory committee including a sub-committee on forest geology. They have reviewed the Dunne Report and they were not positive about the methodologies that were proposed. The CGS would like to make sure that any modeling is fully reproducible transparent and is based on process. He indicated that an approach that was passed on inference or professional judgment might not hold up to their board.

Mr. Marckwald wanted to know about the charge the Water Board has put before the panel.

Mr. Spitler commented that the two quotes from the Terms of Reference are the general categories. With the Terms of Reference, there are four specific questions that the panel is to address related to clarifying the scientific process of the current process between the Habitat Conservation Plan and the Forest Practice Rules on the Sustained Yield Plan.

Mr. Marckwald commented that if they conclude that there are limitations then this Board deals with the Water Board's mandate of protecting beneficiaries.

Mr. Spitler replied that that was the case. He commented that he provided the panel with some of the gaps and limitations that the Regional Board sees in that document that hopefully the panel will address.

Mr. Richard Gienger commented that one aspect of the charge is to come up with some immediate actions to control the sediment sources in those watersheds.

REPORT OF THE ADVISORY COMMITTEES

PROFESSIONAL FORESTERS EXAMINING COMMITTEE (PFEC)

Mr. George Gentry, Executive Officer for Licensing, reported that the PFEC met on April 24, 2003, that there were two issues discussed. The PFEC was approached by North Carolina and Maine to discuss the issue of reciprocity. Further investigation revealed that there are statutory mandates that must be followed in honoring such a request. He explained those requirements to the Board. Reciprocity Agreements with these two states are not tenable as currently proposed. Under the current statutory structure, a blanket reciprocity does not appear to be possible. The PFEC is further investigating this issue.

Mr. Rynearson noted that the Society of American Foresters (SAF) program now does have an exam, however, they require a Bachelors degree in forestry and five years experience. He wanted to know if North Carolina and Maine would qualify to take the SAF exam.

Mr. Gentry commented that any out of state forester would qualify to take the exam. The question is, would they qualify to take a "special examination" for reciprocity. He believes that it would be possible.

Mr. Heald commented that the PFEC is looking into how it might establish such a special exam and what the process would be.

Mr. Gentry commented that the PFEC discussed the MOU with the Forest Service. This has been an on going issue. The MOU was designed to clarify the role of the RPF as it relates to the management of California's federally owned wildlands and dealing with overlaps of federal and state authority. At the PFEC meeting, the Forest Service proposed another MOU. It was discussed that perhaps the PFEC should take a step back and explore its commonalities with the Forest Service. The PFEC will continue to look at that.

Mr. Rynearson wanted to know if the primary issue is that the Forest Service believes it cannot limit competition by requiring a license.

Mr. Gentry believes there is a concern with the Forest Service having the ability to allow open competition in that regard. The PFEC is looking at what are the mutual concerns regarding the management of federal wildlands.

Mr. Rynearson wanted to know if the Forest Service was currently requiring an RPF to supervise forestry activities on their lands by independent contractors.

Mr. Gentry commented that he has not examined those contracts that were put out recently, so he could not verify that they are absolutely requiring RPF. He believes that some may and some may not. However, he finds that the MOU is still in the Region's handbook.

Mr. Rynearson commented that the USFS required licensed and survey engineers as a health and safety issue.

Mr. Gentry believes that the Forest Service's contention is that there are licensed surveyors from other states that can compete on the contract. The counsel that reviewed the MOU indicated that it would preclude licensed foresters from Oregon from bidding on these contracts.

RESOURCE PROTECTION COMMITTEE (RPC)

Mr. Bosetti, Chairman of the RPC, commented that the RPC had reports from the Unit Chiefs and those reports were in the Board's binder. The Deputy Director for Fire Protection spoke about the Air Tanker maintenance

schedule and reported the comparison in flight times from last year to this year's. The air fleet has 450 hours year to date where last year at this time they had 856 hours of flight time.

Mr. Bosetti commented that the Committee had some discussion on an article in the Sacramento Bee regarding the veteran preference issue. The Department relies on certification by the Department of General Services to qualify veterans. CDF works off that qualification list to select contractors for preference. There was discussion regarding the California Conservation Corps closure of the Magalia and La Cima Crews. The Magalia crew will not be replaced, but the La Cima crew is potentially going to be replaced with correctional crews.

Mr. Bosetti commented that a representative for the US Forest Service provided a pictorial demonstration of the mapping of the Lake Arrowhead/San Bernardino infestation. In 2002, 50 acres were involved, as of today, the area map showed 350,000 acres with infestation. There was some conversation regarding fire models that could be used to indicate fire behavior, but there is no fire model to indicate the rate of fire that could potentially be involved in this situation. The Forest Service could be losing the use of 11 air tankers specific to California. The Committee asked for further clarification on this issue. In the Lake Arrowhead area there has been approval to put eight air curtain burners in as a means to help deal with the quantities of fuels that are accumulating in that area and the disposal of that fuel. The U.S. fire protection agencies have developed an incident management team and a process for dealing with large incidents. The use of these systems is being scrutinized as a model for Homeland Security.

Mr. Bosetti reported that the Committee received a report from the statewide Fire Safe Council and was briefed on the Wildfire Awareness Week. They provided the Committee with a public education information folder; he provided a copy for the Board. The Committee had asked that RMAC review and comment on the Legislative Analyst's Office report recommending fees for Fire Protection on State Responsibility Lands. That report is in the Board's binder. There was a brief discussion on Public Resources Code 4131 to get clarification from the Department and to give them some clarification on where the Committee sees the Board's role relative to budgetary reductions.

Mr. O'Dell wanted to know if there was a discussion about the number of LTOs that have moved into the Lake Arrowhead area and the job opportunities offered there by that disaster.

Mr. Bosetti replied that they had not discussed that.

Mr. O'Dell wanted to know about the movement of some of the larger commercial material to conversion facilities.

Mr. Bosetti commented that there are efforts to remove that material to saw milling operations. The difficulties are the amount of deterioration of that pine timber and the distance to transport the material. There is some concern regarding the accumulation of the slash. The only facility that was receiving that material is unable to handle any more and that is the reason the air curtain burners are becoming more important.

REPORT ON THE STATE OF THE FOREST PRODUCTS INDUSTRY IN CALIFORNIA BY THE CALIFORNIA FORESTRY ASSOCIATION

Mr. David Bischel, president of the California Forestry Association (CFA), reviewed CFA's background for the Board. He provided the Board with a number of handouts and encouraged the Members to review them thoroughly. He introduced his panel of presenters to the Board. He then provided an overview of California's forests. There are approximately five and a half million acres zoned for timber production under the TPZ Act. Industry in primary and remanufacturing represents about 14.3 billion dollars a year in economic activity. He noted that according to an analysis done by Cal Poly, California has some of the highest environmental protection requirements in the entire world. California forest landowners have voluntarily sought third party certification to demonstrate support for sustainability and environmental responsible practices. The basic consumption in the state of California has risen to just short of nine billion board feet. Harvesting is down from four billion to less than two billion board feet. Almost 80 percent of the total forest products demand in California is being imported from outside the state from areas that have fewer environmental protections. He noted that since 1989, 77 wood-processing manufacturing facilities have closed down costing rural Californians

over 20 thousand jobs. There is a concern that companies are being forced to disinvest in California and there is continued pressure from the Legislature looking at issues and proposals that could have negative impacts on rural communities.

Mr. Charlie Brown, vice president of the Northern Operations for Fruit Growers Supply Company, provided some background of the Fruit Growers Supply Company for the Board. In 1998 Fruit Growers sold approximately 40 thousand acres in Placer County. Due to the uncertainty of future Forest Practice Regulations, Fruit Growers reinvested the proceeds of that sale in Oregon and Washington timberland. He provided the Board a comparison on how Fruit Growers' operations work in both states. Fruit Growers has been a part of California for 96 years, but because of cost of regulations and the uncertainty of future restrictions Fruit Growers can no longer justify investments in California.

Mr. Jim Holmes, president of the Soper-Wheeler Company, provided the background of Soper-Wheeler Company for the Board. Soper-Wheeler owns a small vineyard in Sonoma County, owns some cattle and leases some lands for grazing and recreation, but the bulk of its assets are income derived from timber and timberland management. He reviewed the companies guiding principles for the Board. Soper-Wheeler has been good for California, and California has been good for Soper-Wheeler. However, things have changed and California is no longer a good place for a timberland company to try to do business. He believes that for the last several years, the Board has been on an "emergency fast track" eroding property rights and reducing property values. It does not make sense to invest money into a venture that has an uncertain and declining future. Soper-Wheeler has made the decision to invest discretionary forestry dollars into New Zealand because New Zealand appreciates and encourages the investments. He believes that since the passage of the Z'Berg-Nejedley Forest Practice Act, the Board has negatively impacted property rights. He indicated that the Board was not alone in its destruction of the forestry industry in California. He believes that others are the Legislature, Water Quality, and the Department of Fish and Game. He commented that the Board should follow the original intent of the Z'Berg-Nejedley Forest Practice Act and "encourage prudent and responsible forest management".

Mr. Dan Tomascheski, vice president, Resources, for Sierra Pacific Industries (SPI), provided some background for the Board. Costs keep going up and productivity for THP preparation keeps going down. He noted that 35 to 40 percent of the wood California uses comes from Canada. SPI spends several million dollars a year monitoring water quality and wildlife and cannot see the tie to all the new documentation and procedures to resource protection. THPs are often held up to various issues from other agencies. CDF, Water Quality, and Department of Fish and Game make demands that are over and above the rules. He would like to see the Board stand up to the Legislature for good forestry. He believes that unless the trend toward ever-increasing regulation in California stops, forest landowners will be forced to look for other uses for their lands and the industry will go elsewhere to invest. SPI is investing out of state.

Mr. Jim Able, consulting forester representing the Buckeye Conservancy Board of Directors, reported on the preliminary conclusions and observations of the Buckeye Forest Project. He read his written comments into the record. He commented that tremendous pressure was being put on the owners and long-term stewards of their lands to change the current and past management of these landscapes. This pressure comes from the unintended consequences of the countless state and federal rules and regulations and the uncoordinated application and interpretations of these rules. He commented that the current regulatory climate is discouraging the long-term environmentally sensitive harvest methods of the past 20 years. The loss of this management option will affect landowner management practices. He believes that the philosophy is currently one size fits all and process over substance. Changes in regulatory standards are necessary that will address potential impacts, owners, philosophies, and different features.

Mr. Bischel showed a couple of graphs showing the direction California is going. He commented that the emotion heard today was one of frustration by resources professionals who are dedicated to the management of California's Forests in a sustainable and responsible manner. They believe that they can no longer do this and be competitive; the regulatory process and its related impacts have put the California forest industry at a huge competitive disadvantage in a global market place. He commented that it is possible to protect public source resources and manage the forests in a responsible and sustainable manner while being competitive in a global market. This would require the Board's help by taking a new look at the processes and the approach

that the industry is working under. He expressed his hope that the Board could look at a new environmental vision, one of outcomes, cooperation, hope, and one that utilizes human resources instead of destroying them.

Mr. Bosetti expressed his disappointment that the LTOs were not a part of the presentation. He would like to get a sense regarding the work force aspects of the implementation of these plans. He wanted to know if the industry sees a shrinking workforce trend and a cost being imposed on that group as being a significant issue in being able to carry out harvest operations.

Mr. Brown commented that most of his logging contractors cannot afford to live and work in California. He believes that a lot of the problem is Workmen's Comp.

Mr. Able commented that the loggers have to charge more for their work. In Humboldt County, they can work only in the dry season, where in Washington, they are working 10 months out of the year.

Mr. Holmes believes that the closing of mills is also a factor. The hauling costs are so high, and the air pollution requirements on diesel engines and additional trucking regulations are becoming a very big part of the costs.

Mr. Bosetti commented that the market price for the finished product drives the decision to harvest. He wanted to know about the current trend with low commodity prices, and if they believe that that trend was improving.

Mr. Holmes commented that the prices are currently very poor because of the competition from overseas where the costs of production are much less.

Mr. Bosetti wanted to know if there was any market for forest certification types of investments at this time.

Mr. Bischel commented that there are a lot of major landowners that are certified by one organization or another. He believes that there have not been increased values associated with that at this point in terms of actual market value. He commented that the presenters would have liked to have the Associated California Loggers, California Licensed Foresters, and the Forest Landowners of California participated in today's presentation. However, with the time allowed each presenter, they had to focus on the real industry issues. He encouraged the Board to listen to those that did not have the opportunity to speak today.

Mr. Holmes commented that Soper-Wheeler is certified, but that market place does not want to pay any premium for certified products. He believes that the biggest value of the certified product is that it makes those who buy certified products feel environmentally responsible.

Mr. Able commented that he is an FSC certified manager, and to his memory has not received a premium for that certification.

Mr. Tomascheski commented that SPI has a foundation that provides scholarships for all employees for college. That foundation also participates in other community activities. In terms of infrastructure, they have an on-going maintenance program on SPI roads for large pieces of land where it has spent approximately two million dollars a year upgrading roads. In the rural counties, there have been some real impacts when the mills or closed or moved.

Mr. Marckwald expressed his gratitude for the presentation. He believes that keeping the working landscape intact and productive is important. He wanted to understand the perspective of the world economy and the globalization regarding the excess logs coming out of Vancouver. He wanted to know how those forces were working together and the part California regulations has played, and the relative contributions on the industry right now. He wanted to understand those issues in order to put everything the Board has heard today in its proper context.

Mr. Bischel commented that this is an issue of cumulative economic impacts. However, raw material availability, costs, and supply are huge determinants in how people invest. There are a lot of other issues as well. Workman's Comp is a critical issue.

Mr. Marckwald wanted to know if an academic assessment of the relative forces has been done.

Mr. Tomascheski commented that he was not sure that an academic study had been done. In the last five years, the costs have become so high that they have lost that competitive edge. He noted that the Workman's Comp is very high compared to other states.

Mr. Marckwald wanted to know the regulatory costs per board foot.

Mr. Tomascheski commented that with the loss of productivity it is about 40 percent less than what it would be under Oregon or Washington State rules. California is not as competitive as it used to be.

Mr. Holmes commented that people from other parts of the world have found their way into California markets and they will not leave very easily. The regulatory costs makes it difficult to operate in California.

Mr. Ryneearson wanted to know if it was the same effort in Oregon to lay out a sale as it is in California.

Mr. Brown replied that it was and that in Oregon it takes one day vs. five or six months in California to get an approved THP.

Mr. Ryneearson wanted to know the reason Oregon was close to a 4(d) rule and California is not.

Mr. Brown believes that it is because of environmental protection rules.

Mr. Ryneearson wanted to know how it was different in Oregon.

Mr. Brown commented that in Oregon, fire protection is the first duty of the regulators. The second is to help one manage one's property the way one wants to do it. California does not work in partnership between the state and the private landowner, Oregon does.

Mr. Nawi commented that the Board is hearing from others that there is a need for increased environmental protection. He wanted to know if they believed that with increases in the efficiency of the permitting and regulatory process the current level of environmental protection could be maintained.

Mr. Brown commented that it would take a substantial change. He believes it is the process that is killing the industry.

Mr. Able commented that it is the review process that is the problem.

Mr. Ryneearson wanted to know the single most expensive part in the plan preparation of either a THP or a NTMP.

Mr. Able indicated that it was difficult to say.

Mr. Holmes believes that this Board should go look at the problems in the field and when there is evidence, like with the spotted owl, take it upon themselves to be active in the de-listing process.

Mr. Bischel believes that there is a lot of opportunity to provide an expedited process looking at an end product that provides the same environmental benefits as CEQA. Other agencies are developing independent permitting processes.

Mr. Marckwald wanted to know what the revenue per 1000 board feet has been in the last couple of years.

Mr. Tomascheski commented that the average commodity price index was possibly \$280.00.

Mr. Marckwald wanted to know what it was 15 years ago.

Mr. Tomascheski replied that in 1993 the prices were around \$450.00 per 1000 board feet.

Mr. Bischel commented that Doctor Yee's study shows where stumpage values have gone over the last 20 years throughout the state.

Mr. Brown commented that Fruit Growers sells logs. In 2001, Fruit Growers' net income was \$12 per thousand.

Chairman Dixon thanked the presenters for the presentation and commented that the Board did believe that it was important enough to invite agency heads and department heads and representatives from the Legislative community who are interested in the environment and forest issues. He noted that there was a representative from Senator Sher's Office and staff from the Senate Resources Committee among other in the audience.

Mr. Bischel commented that they stand ready to work on a new environmental vision and protection of the public trust resources and maintain certainty and sustainability in the industry.

UPDATE BY THE FIRE AND RESOURCE ASSESSMENT PROGRAM (FRAP) ON THE STATUS OF "THE CHANGING CALIFORNIA: FOREST AND RANGE 2003 ASSESSMENT"

Mr. Bill Stewart, Chief of the CDF FRAP Unit, provided an update on the FRAP assessment of forest and range issues in California. He reviewed how forest demand plays out on the landscape. He commented that CDF is required by the Public Resources Code (PRC) to produce a periodic assessment of forest and range resources. FRAP tried to organize the information around the countries that have large temperate forests, which came together and created the Montreal process for indicators of forest health issues. Biodiversity is the main goal. FRAP tried to look at benefits that come to all Californians from those resources. He commented that in 2000, California imported the equivalent of the total production of Oregon, Maine, and Tennessee. He noted that the metropolitan forests have become an issue in California involving amenity values. The anticipated end of peer review to state and federal agencies is later this month and for the general public over the summer. FRAP, in its report tried to address not just the timber economy, but forests in general. He noted that in 2000, Oregon released a report called "The State of the Environment Report." It was dealing with forest and their rangeland in its totality. Oregon's final report should be out in October 2003. He indicated that FRAP's final version should be ready for the Board in June or July. He believes that the real task for the Board is to create a policy document over the next year.

Chairman Dixon wanted to know if the Board could get a copy of the Oregon document.

Mr. Stewart commented that he would provide it.

Mr. O'Dell wanted to know if the document he mentioned was the first or second Oregon document.

Mr. Stewart commented that the 2000 report is a broader environmental assessment of all the resources. The Oregon Department of Forestry is doing a much more focused document to create a policy document for their Board of Forestry. Both those documents are on the Web.

Chairman Dixon indicated that if the peer review was done by the end of this month and if Board staff puts this item on its agenda in June that would allow time to create a policy document.

Mr. Stewart agreed.

Mr. Marckwald wanted to know if there was a timeframe to get this report to the Legislature.

Mr. Stewart commented that the Legislature requests that it be provided every five years, but in reality it has been on an eight-year rotation.

Mr. Marckwald commented that this is a good piece of work, but it should be finished expeditiously so that it is not carried over until next year.

Mr. Stewart concurred.

Mr. Heald commented that the existing document looks at conditions and trends, but is thin on policy options. He hopes that this Board takes the opportunity to derive some options in terms of policies and ask FRAP to analyze the consequences of those options.

Mr. Stewart commented that the enabling legislation requires that the Board hold public hearings.

Mr. Ryneerson commented that in speaking to legislative representatives, they recognize how good FRAP is and that it is well respected and a great organization.

Chairman Dixon wanted to know if Mr. Stewart would be at the June meeting.

Mr. Stewart commented that they would be.

Public comment on “state of the forest products industry”

Ms. Helen Libeu commented that she would like to write a report on how it goes when a small landowner wants to write a THP, harvest, and do the cleanup afterwards. She commented that she bought a THP that was 300 pages long. Some THPs have to be rejected for about 50 reasons when they come in. If RPFs cannot do better than that perhaps the Board should consider a special organization on THP preparation. She does not believe that a THP needs to be so costly or difficult as described. She gave her THP as an example.

Mr. Steve Horner, RPF, Pacific Lumber, described the impacts on a family forest property of 45,000 acres. They had to stop operations, lay off staff, and have been unable to sell the land. The permitting costs prohibit this landowner from future investing into his land. PALCO's costs are approximately \$100 per thousand board feet in permitting costs and \$30 per thousand board feet in road costs. He commented that the Board should encourage production.

Mr. Charles Greenlaw expressed his concern over the loss of infrastructure. His family is trying to manage the land, which has been neglected for 120 years. They are trying to improve the stand and manage fire hazard. If the industry goes away, then we look toward development. He asked that the Board take pride in California's licensed foresters. He believes that RPFs and CDF are doing a good job. Regarding the “state of the forest products industry,” he believes that there might be something besides good will and objectivity behind the problem.

Mr. Richard Gienger commented that the costs represent 150 years of mistakes.

Mr. Bill Keye, CLFA, agreed with everything that was presented, but our concerns are the loss of forests to population growth.

Mr. Ryneerson requested a follow-up meeting on the “state of the forest products industry” report.

STANDING COMMITTEES OF THE BOARD

FOREST PRACTICE COMMITTEE (FPC)

Mr. Heald, Chairman of the FPC, commented that the FPC had a good discussion on issues relative to variable retention. Next month the FPC will have the package in a format enabling it to bring an action item to the Board. The Committee discussed the Class II watercourse classification issue brought forward by a multi-agency team for clarity. Next month the Committee will develop a letter for the Board's review, which would be guidance for the Department on the meaning of the rule. That guidance document will allow the existing rules to function through

the rest of this year and perhaps next year while a report comes back from the field on what appropriate mitigations are for different levels of Class II watercourses. The Department is reviewing the issue of electronic filing and is meeting again towards the middle of this month. They have received one electronic THP submittal and have the opportunity to watch it go through the system. The Department is also working with some large companies that will be cooperative in producing electronic versions that can be sent through the system. The Committee had a continuing discussion on the proposed changes by the Forest Reptile and Amphibian Working Group (FRAWG) regarding definitions and protection measures for springs, seeps and wet areas in meadows. The Committee recognized that there is some more work to be done on this issue. The FRAWG is working on it and will return with additional information. He is not confident that the Committee will have resolution on that issue by July. The Committee did not take up the T & I Watershed regulations item, but will at its next meeting. He commented that the Committee did discuss the exemption process for diseased, dead, and dying timber, but would initiate a full discussion at next meeting. The Committee is hopeful to have something on that issue in August. The Forest Management Incentives Task Force, Small Landowners, and SNTMP, will be meeting on May 13, 2003, in Howard Forest. The Committee is hopeful to have a more finished document to discuss during the June meeting. The Class III Watercourses issues were not addressed, but that is a part of the proposed changes in the T & I rules. The Committee is making good progress in reviewing the State Demonstration Forests Management Plans.

Ms. Britting indicated that the Committee also had the Oak Retention issue.

Mr. Heald commented that the Committee discussed the issue of deciduous hardwoods and is accepting input from the Department and the regulated public on the change that was implemented in January 2003 relative to cumulative effects. There will be more discussion during the Committee's June meeting, but consensus is doubtful.

POLICY AND MANAGEMENT COMMITTEE (PMC)

Mr. O'Dell, Chairman of the PMC, reported that the PMC had discussed three of the major issues, old growth, clearcutting, and the oak policy in general and believes that these items would be very informative for the full Board to hear. PMC recommends a balanced presentation so that everyone has an equal opportunity to address these issues.

Mr. Marckwald commented that the procedure for those sessions would be an hour of presentations from five or six people followed by an hour of Board discussion and then the items would back to committee if necessary.

Mr. Nawi commented that in light of the petition in the Board's packet regarding clearcutting, he believes that it made sense to have the clearcutting discussion in July instead of August. He added that in PMC, there were discussions related to cumulative effects and how they were treated under CEQA. It was a helpful discussion and there will be more on that issue in relationship to clearcutting.

Mr. O'Dell commented that the clearcutting issue is such a large item that the Committee believes there should be a separate section on cumulative effects. This is a part of an ongoing MOU regarding monitoring and cumulative effects. The Department is heading up a second committee on this issue and Member Nawi is going to be a part of that committee.

Chairman Dixon commented that the Legislature is very interested in the old growth issue and the sooner the Board can make some comment to the Legislature the better.

Mr. O'Dell commented that the oak discussion was set for June because it was a timely meeting with the field trip.

Chairman Dixon asked that the PMC put together an agenda for each of these presentations.

Mr. O'Dell agreed.

There was some further discussion.

Mr. O'Dell commented that the Committee recommended that the discussions would be oaks in June and old growth in July.

AD HOC ROADS AND WATERSHED COMMITTEE

Mr. Ryneearson, Chairman of the *Ad Hoc* Committee, commented that the Committee discussed the extension of the IWMA and the T & I packages regarding the necessity to extend the packages, or not, and what the term would be. There are elements within the IWMA that provide for a consultation process that can exist outside the T & I. California Geological Society (CGS) indicated that, due to budget constraints and staffing levels, they expect to have more difficulty in the future doing consultations. CGS does agree that the IWMA and the T & I packages should go to the Board requesting that it develop packages at the committee level as separate packages, but that the process begin together with 45-Day Notices. There should be an opportunity during committee for the public and agencies to provide input on either of these packages.

Chairman Dixon asked for comment from other committee members.

Mr. Heald commented that he was a member of that committee and concurred that the Forest Practice Committee is prepared to have the T & I portion on its agenda for the June meeting and is hopeful to send it back to the Board for noticing in conjunction with the IWMA.

Mr. Marckwald commented that this has been out for a while and he would be concerned if people would now come out with suggestions. He believes that it should be put out to a 45-Day Notice with whatever changes the Forest Practice Committee believes are appropriate.

Mr. O'Dell commented that he supports Member Marckwald's comments. He expressed his concern that the Department had indicated that it had some changes.

Mr. Ryneearson commented that it was regarding the class III water zones.

There was some discussion.

03-05-2 Mr. Ryneearson moved that the T & I rules package be referred to the Forest Practice Committee for the development of a 45-Day Notice. Mr. Nawi seconded the motion, and all were in favor.

03-05-3 Mr. Ryneearson moved that the IWMA issue be referred to the *Ad Hoc* Roads and Watershed Committee for the development of a 45-Day Notice and then be referred back to the Board. Mr. Marckwald seconded the motion.

Mr. Marckwald, for clarification, commented that both packages are to go out and come back at the same time.

Chairman Dixon asked for consensus on the last motion, and all were in favor.

Mr. Ryneearson commented that the *Ad Hoc* Committee had a discussion on the Inter-agency Road Rules package that was presented last month. There were concerns expressed by most of the speakers regarding the degree of the changes to the rules package. It was determined to go forward with the Road Management discussion using the Inter-agency Road Rules package as a reference document. The Committee is in the process of developing the goal section for the Road Management Plan. It has asked for input to help formalize those goals. The Committee will devote most of its next meeting to the development of the Road Management Plan document. He believes that there are goals to be achieved with the development of this package that address the near-term issues of roads, ongoing road management, and long-term road management, as well as planning issues.

Chairman Dixon wanted to know if the Roads Management Plan is going to come out of the *Ad Hoc* Committee this year.

Mr. Ryneearson commented that the Committee's energies are going to be focused on the Roads Management Plan this year.

Chairman Dixon wanted to know the time frame.

Mr. Rynearson hopes that they could have one by late summer.

Chairman Dixon suggested that Member Rynearson put together an agenda and/or request for extra meetings in an effort to develop the resources.

Mr. Rynearson commented that the *Ad Hoc* Committee would have a better idea following its next meeting.

There was some further discussion.

RANGE MANAGEMENT ADVISORY COMMITTEE (RMAC)

Chairman Dixon announced that Member Bosetti indicated that under the Resource Protection Committee report, all the points that the RMAC report would have made were covered.

MONITORING STUDY GROUP (MSG)

Mr. Peter Cafferata, CDF, reported that the MSG met on April 21, 2003, at Howard Forest and that the meeting was well attended including seven agencies, four members of the public, and five timber industry representatives. The Department provided an update on its Modified Completion Report monitoring process. There was a discussion on the next steps to take regarding the Hillslope Monitoring Program (HMP) and the benefits of modifying the HMP to include a two phased monitoring approach. It was suggested that further data analysis be completed on the existing data set regarding the relationship between site characteristics and documented erosion features. For the next generation of the HMP, MSG staff will work with R. J. Poff and Associates and Cliff Kennedy to generate a new set of potential queries for the existing HMP database related to site characteristics and the general topic areas that can be further explored with the existing HMP dataset and document ideas for the next generation of the HMP. They will then bring their report to a future MSG meeting. Pacific Lumber Company (PALCO) provided a Power Point presentation on lessons they have learned regarding sediment monitoring in Humboldt County. These lessons included detecting small challenges in sediment levels with varying treatments and that with trend monitoring, recording turbidimeters are necessary.

Mr. Cafferata announced that the next MSG meeting is scheduled for Jun 17, 2003, in Redding. There will be a presentation by Dr. Lee MacDonald of Colorado State University on his central Sierra Nevada sediment monitoring study. Copies of the MSG report are available on the Board's website or from the Board Office.

Mr. O'Dell commented that the presentations at the MSG meeting were excellent. The experience Palco shared and the costs they encountered were overwhelming. He noted that \$400,000.00 was spent on water monitoring this past year and they expect \$200,000.00 to \$250,000.00 to be spent from here on. He commented, "Monitoring is an easy word to spell and say, but very difficult to commit to the program"

Mr. Cafferata commented that Instream monitoring was particularly difficult.

Mr. O'Dell agreed that Instream monitoring was very difficult. He commented that the MSG meetings are well worth attending just for the presentations.

CALIFORNIA FOREST PEST COUNCIL (CFPC)

No report was given.

PUBLIC FORUM

Mr. Mark Rentz, California Forestry Association (CFA), commented that the Central Coast Water Board conducted a field trip to review forest practices and field activities in the Santa Cruz region before it made a

decision regarding a waiver. There was another workshop on large woody debris in the North Coast streams. He provided a packet from that workshop, sponsored by the UC Cooperative Extension, for the Board to review.

Mr. Bill Keye, California Licensed Foresters Association (CLFA), commented that the Forest Service has in the MOU the utilization of RPFs for certain practices on federal lands. CLFA would be concerned if the Forest Service is retreating from that standard. California does have higher standards for forest practice in California and RPFs should be expected to be able to utilize their services on national forest projects.

Mr. Chris Quirmbach, CLFA Forest Practice Committee Chair, reported that CLFA had their annual transition meeting in April 2003 for the Board of Directors. There are seven new directors. There will be a watercourse-crossing workshop next Friday in Redding. The workshop in March, which overbooked, was very successful and so they are holding another one on Friday. MSG provided a presentation on continuing research to lead off the workshop in March and will do so again in Redding.

Mr. Richard Gienger quoted from page 224 of the Forest Practice Act regarding NTMPs. He believes that the report will provide information regarding where NTMPs are and how they can be improved. He commented that the Large Woody Debris Conference was a good one. He was impressed with the size and number of the logs and trees that Gualala had put into those watercourses. He reported on the two days of a Salmonid Conservation Workshop he attended in Willits. He stressed the need for a team from Cal EPA and the Resources Agency to work with landowners and residence to come up with cumulative watershed effect evaluations.

Ms. Helen Libeu commented that the Board was doing a good job. She believed that the industry presentations were distorted and that the presenters were not speaking for her. She indicated that she would provide the Board with written comments on the issue of the small landowner.

Mr. Jay Halcomb, Russian River Residents Against Unsafe Logging, commented that the deterioration of the Gualala is one that the Board should take a good look at with respect to clear-cutting. He referred to www.rraul.org for the presentation that was made to the Board's Policy and Management Committee in May.

REPORT OF THE EXECUTIVE OFFICER

Mr. Daniel Sendek, Executive Officer for the Board, reported that the Board would meet in Sonora for a joint field trip and workshop with the State Water Resource Control Board. He provided a copy and reviewed the rule-making calendar for the remainder of the year. He noted that there were two hearing dates indicated in red on the Board's copy. The Chairman and Board members received correspondence from the Legislature suggesting that the T & I package have action by the August meeting.

NEW AND UNFINISHED BUSINESS

Mr. Sendek reported that he received a petition for rule changes or modifications to the clear-cutting issue. Since this item was not noticed this month, it will be heard on June 5, 2003, in Sonora to determine if a formal hearing should be granted.

Ms. Helen Libeu commented that she would prefer to defer the public hearing on the matter until the August Board meeting, when the issue of clearcutting will be addressed.

Mr. Nawi thanked Ms. Libeu for being this issue forward.

ADJOURNMENT

Chairman Dixon adjourned the May 2003 meeting of the Board.

Respectfully submitted,

ATTEST:

Daniel R. Sendek
Executive Officer

Stan Dixon
Chairman

Copies of the attendance sheets can be obtained from the Board Office.